

SENATE AMENDMENTS

2nd Printing

By: Meyer, Button

H.B. No. 2964

A BILL TO BE ENTITLED

AN ACT

relating to abandonment of shares of a mutual fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 72, Property Code, is amended by adding Section 72.1011 to read as follows:

Sec. 72.1011. SHARES OF MUTUAL FUND. The three-year period established by Section 72.101 with respect to the abandonment of shares in a mutual fund begins on the later of the date of:

(1) the last investment in the mutual fund made by or on behalf of the owner; or

(2) the last payment to the owner or reinvestment by or on behalf of the owner of a dividend from the mutual fund.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

ADOPTED

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MAY 16 2017

Katay Drew
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Kelly Harmon*

1 Amend H.B. 2964 (house committee printing) by striking all
2 below the enacting clause and substituting the following:

3 SECTION 1. Section 72.1021, Property Code, is amended by
4 adding Subsection (a-1) to read as follows:

5 (a-1) A holder of shares of a mutual fund shall notify the
6 owner of the shares when the owner makes the initial purchase of
7 shares in the fund that the owner may designate a representative
8 under Subsection (a).

9 SECTION 2. This Act takes effect September 1, 2017.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 17, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2964 by Meyer (Relating to abandonment of shares of a mutual fund.), **As Passed 2nd House**

The bill would result in an undetermined loss to the General Revenue Fund depending on the value of shares in a mutual fund for which the presumption of abandonment would be deferred due to reinvestment in the mutual fund.

The bill would amend Chapter 72, Property Code, relating to abandonment of personal property to specify the three year period leading to a presumption of abandonment of shares in a mutual fund to begin on the later of the date of: (1) the last investment in the mutual fund made by or on behalf of the owner, or (2) the last payment to the owner or reinvestment by or on behalf of the owner of a dividend from a mutual fund. The bill would take effect immediately upon receipt of a two-thirds vote of all members elected to each house; otherwise, the bill would take effect September 1, 2017.

According to the Comptroller of Public Accounts, currently, the three year period leading to a presumption of abandonment begins when communication to an owner is returned as undeliverable. The bill would replace the current establishment of abandonment and would provide that if a mutual fund reinvests within three years, the shares will not be reported as unclaimed property, which would result in a decrease in unclaimed property remitted to the state and deposited to the General Revenue Fund. The number and value of shares in a mutual fund which would be impacted by the bill cannot be estimated at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, CL, NV, LCO, AG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 24, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2964** by Meyer (Relating to abandonment of shares of a mutual fund.), **As Engrossed**

The bill would result in an undetermined loss to the General Revenue Fund depending on the value of shares in a mutual fund for which the presumption of abandonment would be deferred due to reinvestment in the mutual fund.

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Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, CL, NV, LCO, AG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 27, 2017

TO: Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2964 by Meyer (Relating to abandonment of shares of a mutual fund.), **As Introduced**

The bill would result in an undetermined loss to the General Revenue Fund depending on the value of shares in a mutual fund for which the presumption of abandonment would be deferred due to reinvestment in the mutual fund.

The bill would amend Chapter 72, Property Code, relating to abandonment of personal property to specify the three year period leading to a presumption of abandonment of shares in a mutual fund to begin on the later of the date of: (1) the last investment in the mutual fund made by or on behalf of the owner, or (2) the last payment to the owner or reinvestment by or on behalf of the owner of a dividend from a mutual fund. The bill would take effect immediately upon receipt of a two-thirds vote of all members elected to each house; otherwise, the bill would take effect September 1, 2017.

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Local Government Impact

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Source Agencies: 304 Comptroller of Public Accounts

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